HONOURABLE SRI JUSTICE CHALLA KODANDA RAM

COMPANY PETITION Nos.60 & 61 OF 2016

COMMON ORDER:

These petitions are filed under Sections 391 and 394 of the Companies Act, 1956 (for short, "the Act"), seeking approval of the scheme of amalgamation between the Transferor and Transferee company as consented by the shareholders of the petitioners Company/Transferor Company and the Transferee Company.

The transferor company was incorporated on 02.01.2007. The authorised share capital of the company is Rs.2,00,00,000/- divided into 20,000 equity shares of Rs.10/- each and the paid up capital is Rs.1,72,04,900/- divided into 1720490, equity shares of Rs.10/- each.

The transferee company was incorporated on 03.07.2008 and fresh certificate of incorporation was issued on 21.05.2009 upon conversion from private limited to public limited. The authorised share capital of the company is Rs.40,00,00,000/- divided into 4,00,00,000 equity shares of Rs.10/- each and the paid up capital is Rs.20,89,00,000/- divided into 2,08,90,000, equity shares of Rs.10/- each.

The objects of the transferor and the transferee companies of the petitioners are to carry on the business of an investment company and to invest in and to acquire for consideration, by way of gift, exchange or otherwise and to hold, sell or otherwise deal in shares, stock, units, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company, firm or person constituted for carrying on business in the Republic of India or elsewhere but not to conduct the business of banking within the meaning of Banking Regulations Act, 1949 and to carry on the business of importers and exports, traders, wholesale and retail dealers of and in men's, women's' and children's clothing and wearing apparel and readymade, hosiery goods, garments of every kind, nature and description.

Considering the fact that the share holders had filed the affidavits expressing their consent for amalgamation by approving the scheme, the share holders' meetings were dispensed with by a common order dated 28.01.2016 passed by this Court in C.A.Nos.82 of 2016 and 83 of 2016. On 03.03.2016, this Court, in the instant company petitions, ordered notice to the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad and also the Official Liquidator. The petitioners were directed to cause publication of notice of scheme of amalgamation in Business Standard (English) and Andhra Bhoomi (Telugu) daily newspapers of Hyderabad editions. The petitioners submit that notices on the statutory authorities were served and the advertisements were published in the newspapers on 09.03.2016. On 17.08.2016, the Central Government had filed a common report in both the petitions. Official Liquidator also filed his report on 02.06.2016 and the transferor and transferee companies have filed No Objection letters obtained from the secured and unsecured creditors vide U.S.R Nos.4132 and 4133 of 2016 on 17.08.2016 before this Court. Necessary proofs as required were filed before this Court evidencing the above aspects.

When the matters are taken up for hearing, the learned counsel for the petitioners has reiterated the contents in the petitions. No objections were received from any quarter. There was a compliance of the convening of the share holders meeting and all other interested parties and there being no objections received from any quarter and the petitioners have satisfied the required parameters as noticed by the Supreme Court in **MIHEER H.MAFATLAL V. MAFATLAL INDUSTRIES LIMITED**[1]**.**

Learned counsel appearing for the statutory authorities have reported no objections for the proposed scheme of amalgamation.

I have considered the material available on record, the principles of law enunciated by the Apex Court in ***Miheer H.Mafatlal's*** case (1 supra) and the conclusions/

recommendations of the statutory authorities through their reports.

Having regard to the above material/reports, this Court is of the opinion that the proposed scheme of amalgamation is in conformity with the provisions of the Act. The scheme does not affect the interest of stakeholders and the public or public interest and is intended to further develop the business interests of transferor and transferee companies for more profit and maximum utilization of available resources. Therefore, the scheme of amalgamation in the meeting of Board of Directors of transferor and the transferee companies held on 04.01.2016 was sanctioned with effect from the date appointed i.e., 01.10.2015. The transferor company be dissolved without going to the processing of winding up. The transferor and the transferee companies are directed to communicate certified copy of this order to the Registrar of Companies for the State of Telangana and the State of Andhra Pradesh, Hyderabad within 30 days from the date of receipt of a copy of this order. They are further directed to take all consequential and statutory steps required in pursuance of the approved scheme of amalgamation under the provisions of the Act.

Both the Company Petitions are allowed accordingly.

CHALLA KODANDA RAM,J

Date:18.08.2016.
Gk.

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HON'BLE SRI JUSTICE CHALLA KODANDA RAM

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[1] 1996(87) Company Cases 792,